

JOSEPH P. RUSSONIELLO
United States Attorney
THOMAS MOORE
Assistant United States Attorney
Chief, Tax Division
DAVID L. DENIER
Assistant United States Attorney
10th Floor Federal Building
450 Golden Gate Avenue, Box 36055
San Francisco, California 94102
Telephone: (415) 436-6888
Fax: (415) 436-6748
W. CARL HANKLA (DCBN 41165)
Trial Attorney, Tax Division
United States Department of Justice
P.O. Box 683, Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 307-6448
Fax: (202) 307-0054
E-mail: w.carl.hankla@usdoj.gov

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ALEXANDRE BALKANSKI TRADING
PARTNER, LO; AAB & SB, LLC, Tax
Matters Partner; ALEXANDRE
BALKANSKI, Sole Member-Manager,

Plaintiffs,

v.

UNITED STATES OF AMERICA,

Defendant.

CV 08-002494 SI

STIPULATION FOR ADDITIONAL
EXTENSION OF TIME TO ANSWER AND
CONTINUANCE OF CASE MANAGEMENT
CONFERENCE

IT IS HEREBY STIPULATED AND AGREED by the plaintiffs and defendant, pursuant to Local Rule 6-1(a), that (1) the defendant shall have an additional extension of time, from January 15, 2009 to March 16, 2009, in which to answer or otherwise respond to the complaint, and (2) the case management conference, currently scheduled for February 6, 2009, should be continued to April 10, 2009 or later, with the joint case management statement due a week before the conference.

The parties respectfully represent they have good cause for making this request:

1. This case is complex federal tax proceeding. It arises from the Internal Revenue Service's proposed disallowance of millions of dollars of losses the plaintiff partnership claimed on federal tax returns by means of an allegedly abusive tax shelter. See IRS Notice 2002-35 (identifying "notional principal contract" shelters and warning that "the tax benefits purportedly generated by these transactions are not allowable for federal income tax purposes"). The plaintiffs contend that the positions taken on the tax returns were correct.
2. Counsel have been discussing a possible settlement based on terms similar to those on which other cases involving this type of tax shelter have been settled. A draft settlement offer has been prepared and is being circulated. The plaintiff intends to make a formal settlement offer as soon as counsel have agreed on specific language.
3. Once the plaintiff makes the formal settlement offer, the Tax Division of Department of Justice will review and act on the offer on behalf of the Attorney General pursuant to Part O, Subpart N of Title 28 of the Code of Federal Regulations. The decision process will involve several steps. First, the trial attorney will obtain the views of the IRS and prepare a memorandum recommending the offer to his section chief. Second, the section chief will weigh in on the offer, either rejecting it or referring it with his approval to the Office of Review. Third, the Office of Review will either take final action on the offer or make a further referral to the government official(s) having authority to take final action on the offer.

///

///

///

4. Postponement of the answer due date and case management conference date while the settlement process continues would be in the interest of judicial economy.

DATED this 2d day of January, 2009.

JOSEPH P. RUSSONIELLO
United States Attorney
THOMAS MOORE
Assistant United States Attorney
Chief, Tax Division
DAVID L. DENIER
Assistant United States Attorney
10th Floor Federal Building
450 Golden Gate Avenue, Box 36055
San Francisco, California 94102
Telephone: (415) 436-6888
Fax: (415) 436-6748

/s/ W. Carl Hankla
W. CARL HANKLA
Trial Attorney, Tax Division
United States Department of Justice
P.O. Box 683, Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 307-6448
Fax: (202) 307-0054
E-mail: w.carl.hankla@usdoj.gov

DATED this 2d day of January, 2009.

ALEXANDRE BALKANSKI TRADING PARTNER,
LP; AAB & SB. LLC., Tax Matters Partner,
ALEXANDRE BALKANSKI, Sole Member-Manager

/s/ Edward M. Robbins, Jr.
EDWARD M. ROBBINS, JR.
CHARLES P. RETTIG
DAVID ROTH
HOCHMAN, SALKIN, RETTIG, TOSCHER &
PEREZ, P.C.
9150 Wilshire Boulevard, Suite 300
Beverly Hills, CA 90212
Telephone: (310) 281-3200
Fax: (310) 859-5129

STIPULATION FOR EXTENSION OF TIME
No. CV-08-002494 SI

-3-

